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June 12, 2006

**VIA HAND DELIVERY**

Alessandro A. Iuppa, Superintendent  
Attn: Vanessa J. Leon  
Docket No. INS-06-900  
Maine Bureau of Insurance  
34 State House Station  
Gardiner, Maine 04333-0034

In Re: Review Of Aggregate Measurable Cost Savings Determined By Dirigo Health  
For The Second Assessment Year

Dear Superintendent Iuppa:

Enclosed for filing please find a hard copy of the following:

SUBMITTED BY: Christopher T. Roach  
DATE: June 12, 2006  
DOCUMENT TITLE: Application for Intervention  
DOCUMENT TYPE: Application  
CONFIDENTIAL: No

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to be "Chris Roach", written over a horizontal line.

Christopher T. Roach

cc: Dirigo Health Agency  
William H. Laubenstein, III, AAG  
Kelly Turner, AAG  
William H. Stiles, Esq.  
Bruce C. Gerrity, Esq.  
D. Michael Frink, Esq.  
Joseph Ditre, Esq.

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STATE OF MAINE  
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
BUREAU OF INSURANCE

|                                |   |                        |
|--------------------------------|---|------------------------|
| IN RE:                         | ) |                        |
|                                | ) |                        |
| REVIEW OF AGGREGATE            | ) |                        |
| MEASURABLE COST SAVINGS        | ) | <b>APPLICATION FOR</b> |
| DETERMINED BY DIRIGO HEALTH    | ) | <b>INTERVENTION</b>    |
| FOR THE SECOND ASSESSMENT YEAR | ) |                        |
|                                | ) |                        |
| Docket No. INS-06-900          | ) |                        |
|                                | ) |                        |

Pursuant to the Notice of Pending Proceeding and Hearing issued by the Superintendent on April 26, 2006, 5 M.R.S.A. § 9054(1), and Bureau of Insurance Rule Chapter 350, Anthem Health Plans of Maine, Inc. d/b/a/ Anthem Blue Cross and Blue Shield ("Anthem BCBS"), by and through its attorney, hereby moves for intervention as a matter of right in the above-captioned matter.

Applications to intervene are governed by Section 9054 of the Maine Administrative Procedures Act. The relevant provision of Section 9054 provides:

1. Intervention. On timely application made pursuant to agency rules, the agency conducting the proceedings shall allow any person showing that he is [or] may be, or is a member of a class which is or may be, substantially and directly affected by the proceeding, or any other agency of federal, state or local government, to intervene as a party to the proceeding.

5 M.R.S.A. § 9054.

Anthem BCBS clearly meets the statutory standards for intervention as a matter of right in this proceeding as a full party. As both the State of Maine's largest health insurance carrier as well as the current administrator of the DirigoChoice program, Anthem BCBS will be

substantially and directly affected in several ways by the Superintendent's decision determining the amount of aggregate measurable cost savings.

The aggregate measurable cost savings preliminary determined by the Dirigo Board and to be reviewed here establishes one cap on the amount of the savings offset payment ("SOP"). The SOP must be paid in the first instance by, among others, health insurance carriers.

In addition to the substantial and direct effect of having to pay the SOP, Anthem BCBS member premium rates will be impacted by the amount of the SOP as the SOP is used in calculating Anthem BCBS member rates. *See, e.g., 24-A M.R.S.A. § 2736-C.* Anthem BCBS insures more Maine residents than any other carrier and has a substantial interest in ensuring that the methodology used to calculate the aggregate measurable cost savings includes only those savings that are as a result of the operation of the Dirigo Health Agency or increased enrollment in MaineCare and otherwise within the parameters of the Dirigo Health Act.

Anthem BCBS is also one of the State's largest employers and will bear the burden of paying the SOP in its own premium rates for its employee group and be forced, as are other Maine employers, to make the determination whether and to what extent employee health rates must be increased to cover the cost of the SOP. Anthem BCBS has a substantial interest in ensuring that the SOP does not exceed the actual savings that have flowed from providers, to Anthem BCBS, and ultimately to members and employees in the form of lower premium rates.

Anthem BCBS's interests in this proceeding are also unique because Anthem BCBS administers the DirigoChoice program and provides coverage for DirigoChoice members. The SOP is intended to fund subsidies for DirigoChoice members and, as the administrator of the program, Anthem BCBS is in a unique position to understand the level of SOP funding necessary to provide the subsidies that will help the program grow.

Finally, for the reasons outlined above, the Superintendent granted Anthem BCBS individual intervenor status in the 2005 proceeding to determine aggregate measurable costs, recognizing Anthem BCBS's direct and substantial interest in the outcome of the determinations that lead to the calculation of the SOP.

For the reasons set forth above, Anthem BCBS will be substantially and directly affected by this proceeding and, accordingly, requests that the Superintendent grant its application to intervene as a full party to this proceeding as a matter of right.

DATED: June 12, 2006

A handwritten signature in black ink, appearing to read 'Christopher T. Roach', is written over a horizontal line.

Christopher T. Roach, Esq.

PIERCE ATWOOD LLP  
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(207) 791-1100  
*Attorney for Applicant*  
*Anthem Health Plans of Maine, Inc.*

**Certificate of Service**

I, Christopher T. Roach, Esq. certify that the foregoing Application for Intervention was served this day upon the following parties via U.S. and Electronic Mail.

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Dated: June 12, 2006

  
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